United Nations A/AC.253/16/Add.14

General Assembly

Distr.: General
18 February 2000

Original: English

Preparatory Committee for the Special Session of the General Assembly on the Implementation of the Outcome of the World Summit for Social Development and Further Initiatives
Second session
3-14 April 2000
Item 2 of the provisional agenda*
Preparations for the special session of the General Assembly on the implementation of the outcome of the World Summit for Social Development and further initiatives

Review reports and proposals for further action and initiatives submitted by organs and specialized agencies of the United Nations system and other concerned organizations

Note by the Secretary-General

Addendum

Contribution from the World Bank**

1. The Preparatory Committee, in paragraph 3 of the annex to decision 1,[1] invited the World Bank to study the feasibility of increasing funding for projects for the development of infrastructure for social development in developing countries.

2. The Secretary-General accordingly circulates herewith, for the information of the Preparatory Committee, the report prepared by the World Bank in response to that request.

Notes

[1] *Official Records of the General Assembly, Fifty-fourth Session, Supplement No. 45* (A/54/45 and corrigendum), chap. VI, sect. B.

* A/AC.253/12.
** The report is being issued herewith as received in the language of submission only.

00-30434 (E) 240200

The World Bank

Strengthening Infrastructure for Social Development

A Submission to the World Summit for Social Development Five Year Review*

January 2000

* This paper is submitted by the World Bank as a contribution to the five year review of the World Summit for Social Development and the Commitments of the Copenhagen Declaration. It was produced by the staff of Human Development Network under the stewardship of Mr. Eduardo Doryan, Vice President.

Table of Contents

Executive Summary	**1**
Introduction	**2**
Institutions and policies as pillars of social development	**4**
Human assets, human capital, and social development	**5**
Physical infrastructure as investments with social impact	**9**
Partnerships	**10**
Financing/resources for basic social services	**13**
Conclusions and recommendations	**14**

Executive Summary

1. The World Summit for Social Development in 1995 was an important catalyst for increasing international commitments to social development. The agreements outlined in the Copenhagen Declaration set forth a number of international commitments in areas related to social development. In particular, Commitment 6 set forth a number of key goals for action to be undertaken by governments, bilateral and multilateral donors, civil society and the private sector.[1]

2. The five years since the summit have seen an uneven but significant shift towards priorities that support the social aspects of development that are broader than, but inclusive of, the provision of social services. We have learned that vital to the improvement of societies and individual well being is the building up of human capacities or assets through education, improved health and social cohesion. Social development is now understood to be grounded in such foundations as government policies, donor coordination, greater participation by communities, new roles for partnerships---including those that involve international coalitions---and innovations in community based initiatives. There remain significant gaps, however, between what has been learned and how different organizations are able to engage in social development in new and innovative ways.

3. Lessons and progress in the past five years do not leave room for complacency or comfort. The present trends in poverty reduction rates are disturbing, and present serious difficulties for achieving agreed upon international goals for social development. There is a need for renewed national and international commitment for poverty reduction, reducing financial risk and economic vulnerabilities of national economies, and strengthening coordination of programs at different levels of action. The provision of resources needs to be matched by effective organizational capacity, improved access to quality social services and safety net programs.

Infrastructure for social development

The infrastructure for social development described in this paper refers to the foundations of social development that have been recognized as being inter-related and mutually supportive. These include areas such as physical infrastructures or physical systems, as well as organizational capabilities and human capacities that strengthen and sustain the social dimensions of development. It is also recognized that there is a strong linkage between government policies and organizational capacity, and social development outcomes. The provision of resources for social services and the creation of new partnerships for delivery of services are important, but must be implemented within a framework of policies and institutions that provide mechanisms for efficiency and accountability. Individual, household and community capacity to absorb economic change through social risk mechanisms are essential outcomes for sustaining gains in social development.

Over the past five years, the international community has given greater attention to the social dimensions of development. To strengthen the infrastructure for social development, we have learned that clear national policies and goals are essential. In addition, the enhancement of human capacities is grounded in social services, safety nets and the linkage of physical

[1] "We commit ourselves to promoting and attaining the goals of universal and equitable access to quality education, the highest attainable standard of physical and mental health, and the access of all to primary health care, making particular efforts to rectify inequalities relating to social conditions and without distinction as to race, national origin, gender, age or disability; respecting and promoting our common and particular cultures; striving to strengthen the role of culture in development; preserving the essential bases of people-centered sustainable development; and contributing to the full development of human resources and to social development. The purpose of these activities is to eradicate poverty, promote full and productive employment and foster social integration."

infrastructure to social development. Finally, the allocation of resources for social development requires new partnersnips, clear connections to effective institutions, and the involvement of communities in local decision making about social expenditures.

Introduction

4. The World Summit for Social Development in 1995 provided a focal point for international attention to the challenges of social development in a world where widespread poverty continues to shadow the lives of several billion people. From the gathering that year, the agreements outlined in the Copenhagen Declaration set forth a number of international commitments in areas related to social development. The Declaration captured both the costs in many countries from the "lost decade" of the 1980s, and the recognition that even those countries that had maintained strong economic growth rates still had problems of poverty and exclusion.

5. At the heart of the Copenhagen Declaration was the recognition that social development is central to the improvement of the lives of individuals, families, communities and nations. It is not secondary to economic development or GDP growth; it is intricately connected with the health of an economy and of a nation. Seen in this way, social development is a broad term that includes the domains of education, health, safety nets, and social cohesion and risk management. Social development is at the center of initiatives for the improvement of human wellbeing and is an essential foundation for sustained economic development.

6. Since 1995, the importance of protecting and promoting social development has been highlighted in the human costs of the Asia financial crisis, other emerging market financial crises and various natural disasters. These have also shown that the foundations for social development are closely linked with transparent and sound financial systems and macro economic policies appropriate for a country's history, economic structure and vulnerability to external shocks. While the external environment has been improving, it is projected to be less favorable than in the past decade, as well as more fragile. The goals of the Copenhagen Declaration have been reinforced by the growing acknowledgement that the social architecture is as important as the financial architecture.[2]

7. In addition, there are concerns that the external environment for many developing countries will be less conducive to poverty reduction over the next decade. Progress in poverty reduction appears to have stalled in the past few years, with a resulting increase in the total number of poor people in many regions.[3] One implication from recent lowered long-term growth projections is that poverty reduction will be slower. For some regions, such as Sub-Saharan Africa and Latin America, reductions are likely to be below the targets set in international agreements. Further, the Asian crisis showed that the expansion of financial markets and the

---

[2] "The powerful forces of technological progress cannot be arrested, just as the benefits from market principles cannot be ignored; but the distribution of its costs and benefits among socio-economic groups can be made more equitable. We believe there is a better way of ensuring that the market delivers more equitable outcomes." Jan Vandemoortele, "Absorbing social shocks, protecting children and reducing poverty." UNICEF, 1999

[3] "Under scenario A the number of people living in poverty would remain virtually unchanged, as in the experience of the past decade. In 2008, 1.2 billion people would still be living on less than $1 per day...even under the more optimistic assumptions underlying this scenario [Scenario B], progress in Latin America and the Caribbean, and especially in Sub-Saharan Africa, is inadequate to make significant inroads into the numbers of the poor." The World Bank, Prospects for Economic Growth and Poverty Reduction, 1999

knowledge economy requires new ways of addressing social development issues. A key lesson of the past five years is that while the goals from the Copenhagen Declaration remain valid, new approaches are needed to address the unfinished agenda of bringing together economic growth, equity and poverty reduction to promote social development. This can only be addressed through a focus on country led strategies, and through deepened and enhanced cooperation, such as the new Poverty Reduction Strategy tools being prepared by governments in collaboration with the World Bank and the International Monetary Fund.

Poverty Reduction Strategy Paper

The Poverty Reduction Strategy Paper (PRSP) was approved in late 1999 as the basis for the World Bank and International Monetary Fund determining and coordinating concessional lending to low-income countries, including provision of debt relief under the Heavily Indebted Poor Countries (HIPC) Initiative. The PRSP, a significant departure from traditional Bank-driven lending for countries eligible for International Development Association (IDA) funding, will be formulated by individual countries in consultation with civil society and will form the basis for assistance from all donors---bilateral and multilateral. The strategies, which are expected to take a year to create, will analyze poverty in practical terms, assess underlying social conditions and then outline action plans for poverty reduction and economic growth. Groups that broadly represent the poor will be involved in constructing these strategies to ensure that all efforts focus on poverty-reduction results. The World Bank's input will focus on poverty issues, while the IMF will contribute to each paper's macroeconomic and structural elements.

8. For country strategies, inclusive growth is linked to the strengthening of the infrastructure for social development that is closely tied to poverty reduction. The introduction of the Comprehensive Development Framework in the World Bank, a way of thinking within an integrated framework, is another conscious step for putting social development at the center of public action. It provides the context for discussing resource constraints and the necessity of linking social goals with a sound macroeconomic framework.. Other donors have also sought to bring together different development threads, increasingly linking economic priorities with governance, capacity and social priorities. Clear yet difficult to implement lessons from the past five years are that the main elements for the effective utilization of resources for strengthening the infrastructure for social development include the intricate and complex connections between policies and institutions, human capital, physical infrastructure, the provision of financing and partnerships for social development. This paper will address these elements in its main sections and then provide recommendations for action by governments and donors.

Comprehensive Development Framework

The Comprehensive Development Framework (CDF) takes a holistic approach to development. It seeks a better balance in policymaking by highlighting the interdependence of all elements of development----social, structural, human, governance, environmental, economic and financial. The CDF seeks to move beyond discrete indicators of economic performance and human capacity to address, in concert, the "fundamental, long-term issues of the structure, scope, and substance of social development." This is an ambitious transition that must be led by a country itself, with vigorous participation of civil society and the private sector---and with the support of multilateral and bilateral organizations.

Fundamentally, the CDF is a means of achieving greater effectiveness in reducing poverty. It is based on the following principles:

- Ownership by the country, which determines the goals and the phasing, timing, and sequencing of its own development programs.
- Partnership between governments, civil society, donor agencies, and the private sector in defining development needs and implementing programs.
- Long-term vision of needs and solutions, built on national consultations, which can engender sustained national support.
- Equal and contemporary treatment of structural and social concerns with macroeconomic and financial concerns.

The CDF is meant to be a compass-----not a blueprint. How the principles are put into practice will vary from country to country depending on economic and social needs and the priorities of the stakeholders involved.

Institutions and policies as pillars of social development

9. A long-term trend in the funding of social development is the shift from a reliance on physical infrastructure or social expenditures alone to linking these with sound economic and social policies. These policies frame the specific priorities and goals that are set by governments and other public agencies for investment in social development. The design of policies shape expenditures and provide benchmarks so that governments and citizens can assess progress towards specific national and regional goals.

10. A central aspect of social development is how policies are translated into direct actions by various organizations, especially national and sub-national government bodies. The ability of organizations to carry out policies and maintain their institutional commitments is a central challenge in the area of social development. The ability of governments to be responsive to identified policy goals is inextricably linked to the capacity of particular ministries and sectors to implement programs and projects.

11. Making it possible for public institutions, physical infrastructure and social systems to work effectively is essential for delivering resources for education, health, water and other social goals. Competent and well-managed organizations are fundamental to ensuring that programs are effective in reaching low-income communities. In recent years, greater attention has been given to the strengthening of the capacity of governments and other sectors to support the shifts to more social development and local delivery initiatives.

12. A growing trend in integrating different threads of development goals is the building up of the lead role for governments. The building of human capital requires a role for governments to serve as a catalyst to influence and accelerate this effort. Governments bring together public action and participation, donors, the private sector and NGOs, and set out goals through their development policies and expenditure priorities. This also requires commitment by donors to regular and systematic mechanisms for collaboration, and by the government for internal country dialogue on development policies. In addition, the general trend has been to promote the decentralization of government programs and operations in order to increase the efficiency and accountability of different initiatives, and to strengthen community driven development. Significant challenges exist in the shift towards community driven development that require attention to investment in capacity building, and mechanisms of accountability and evaluation of impact.

13. The lead role for governments includes the ways in which government institutions are held accountable for their commitments and the implementation of public goals. There are a range of instruments for building accountability and improving effectiveness. The role of public information helps establish measurement for what programs promise and what they deliver. Public disclosure, or government transparency, will improve the ability of community organizations to monitor and influence resource allocation and service delivery. Effective decentralization of government programs to local levels is difficult in practice and improved results for social development require major support for capacity building and information systems.

14. There are important implications from integrating different threads of development goals, as governments focus on where the private sector or civil society are not able to promote

inclusive social development. Governments should continue to shift their focus to efficiency and impact, in partnership with civil society and/or the private sector. This allows for closer connection to community level issues. As governments move program management closer to the community level, they are also adjusting the spending mix of their programs for social development. *In general, over the past decade, there has been a significant shift---a move away from building physical infrastructure alone towards building policy platforms for improving the use of inputs and thus the ultimate outcomes of social development. This recognizes the intricate linkages between different programmatic areas, institutions, and human assets.*

Community Driven Development

One central lesson of the past decade is that community driven development is key to sustaining social development goals. A key concept in community driven development is ownership, that the people in a community---balancing a variety of interests and priorities---are involved in and provide direction to programs and projects that affect their lives. To have impact and long term value, community development programs need to be based on a knowledge of local social, economic and environmental relationships. As with the country in the CDF, it is important to place the community in the "driver's seat", which is a more extensive and empowered role than in many traditional models of community based development.

15. Bilateral and multilateral agencies can be key partners in strengthening the capacity of governments to place social development at the center of their priorities. This can be carried out through various capacity building programs that make decentralization effective and, through different consultative forums, promote agreement on programmatic decisions. This can also occur through the changes in funding priorities by donor agencies. The recognition of the central role for social development has led to changes in expenditure patterns by development agencies. In the past five years, for example, disbursements by the World Bank for social development have increased notably-----between FY94 and FY99 growing from $0.6 billion to $1.5 billion in FY99 for health; $1.2 billion to $1.6 billion for education; $0.1 billion to $0.9 billion for social protection programs; and between FY95 and FY 98 from $0.6 billion to $0.8 billion for water and sanitation.

World Bank Disbursements for the Social Sectors and Water and Sanitation, FY1995-FY1999

SECTOR	FY 1995	FY 1996	FY 1997	FY 1998	FY1999
Education	1389	1374	1667	1536	1661
Health, Nutrition and Population	729	804	1071	1163	1494
Social Protection	462	727	786	1150	1657
Water and Sanitation	625	937	963	868	565
TOTAL	**3,205**	**3,842**	**4,487**	**4,717**	**5,377**

Human assets, human capital, and social development

16. In building the foundations for social development, it is common to focus on the delivery components of social development, but it is equally important to consider ways in which education, health, and social cohesion contribute to improved development results. The value of literacy, good health, strong social cohesion and community support systems increases the importance of these attributes. They are the assets that people carry with them that enhance their opportunities for improved well being. This is notably important in the lives of poor women, whose advancement is linked to new opportunities in literacy, health care and improved access to other resources. One key lessons about human assets from recent studies is that improvements in health, education and social well being do not necessarily reach the poorest groups. This has

major implications for directing resources and programs towards strengthening human capabilities in low income groups.[4]

17. Linking with the concept of the role of human capabilities or their assets is the idea of social risk management---developing and designing policies that can reduce the risk to individuals, households, and communities of losing assets at times of economic downturns or shocks. In the case of those who are particularly vulnerable, social risk management seeks to prevent further or irreversible losses. Anti-vulnerability policies are designed to prevent irreversible losses from happening and, thus, reduce the cost of later efforts to protect social gains. Social risk management expands initiatives related to social development by linking them with the dynamics of vulnerability reduction.

18. The social risk management perspective can also improve the connections with the social and economic processes that promote resilience for individuals and households around and below the poverty line. This perspective can provide a sharper focus on the development (dynamic aspects) of poverty eradication and the social context in which vulnerability reduction must take place (highlighting the importance of social exclusion and marginalization). Particularly given the experiences of the recent crises in emerging markets, the linkages between increasing resilience, creating effective safety nets, and well being, are central to the foundations for social development. A number of studies have shown that a significant portion of households move in and out of poverty, which highlights the importance of social risk management.

Mobility in and out of poverty for selected countries

		Percent of Households who are:		
		Always poor	*Sometimes poor*	*Never poor*
China	1985-1990	6.2	47.8	46.0
Côte d'Ivoire	1987-1988	25.0	22.0	53.0
Ethiopia	1994-1997	24.8	30.1	45.1
Pakistan	1986-1991	3.0	55.3	41.7
Russia	1992-1993	12.6	30.2	57.2
South Africa	1993-1998	22.7	31.5	45.8
Vietnam	1992/93-97/98	28.7	32.1	39.2
Zimbabwe	1992/93-1995/96	10.6	59.6	29.8

19. The Asia financial crisis and the subsequent upheavals in other emerging markets showed that the foundational principles of the Copenhagen Declaration have important resonance for crisis prevention and crisis management. The short-term crisis response must be balanced between 1) designing a wide range of policies to minimize negative impacts on the poor, giving priority to preventing irreversible losses in human and social conditions; and, 2) a clear set of options for dealing with the major underlying structural problems. The response framework should cover the full range of choice for setting priorities in areas of public action—macroeconomic policies, safety nets, education, health, and labor market policies—and give immediate attention to the well being of vulnerable and marginal groups.

20. As with crisis response policies, the relationships between different aspects of development outcomes are often closely connected. Improvements in literacy, for example, are linked to a number of factors. These include the quality of schooling, the level of parental

[4] David Gwatkin and Michel Guillot, "The Burden of Disease Among the Global Poor", The World Bank, 2000

education, and levels of public spending on primary education. In addition there is recognition that households bear private costs for publicly funded education that need to be addressed. In order to assist households and prepare children for educational attainment, greater attention can be given to early childhood development opportunities, increases in outreach to excluded groups, and special initiatives to increase girls' enrollment and attainment. Further, improving educational quality requires regular monitoring and evaluation of school programs.

21. Similarly, factors affecting infant mortality rates include the level of the mother's education, the household's access to safe water and sanitation, and support given to breastfeeding and weaning programs. Other factors include the household's access to health services, including sanitation and immunization. At the national level the design of public health strategies to promote wider coverage of ante/post natal care and carefully targeted nutrition interventions also have an impact.

22. The move towards emphasizing social development outcomes increases the importance of both monitoring different social indicators, and identifying the policies and delivery mechanisms that are most effective. Primary health and basic education are essential social services, but delivery of these services is predicated on the skills and accountability of those who are working in these sectors. Support for health and education thus involves not only service provision but also improving the capacity of people to contribute to household and community economic wellbeing.

Health monitoring and evaluation

Successful approaches to assessing the effectiveness of project interventions, strengthening borrower health monitoring, evaluation, information and disease surveillance systems, or monitoring progress toward sectorwide objectives have been accomplished by a number of projects:

Brazil's Amazon Basin Malarial Control project helped to train malaria fieldworkers and strengthen disease surveillance systems, which---together with a shift in strategy from eradication to control, early treatment, and case management---contributed to a decline in malaria incidence and fatality rates.

Tamil Nadu's Integrated Nutrition project in India established a community-based system for regularly monitoring the growth and weight of children found to be malnourished. The project significantly reduced severe malnutrition in the target group. The monitoring system both contributed to and documented the impact.

Mali's Health and Rural Water Supply project eventually helped establish a nationwide health information system, though adequate data was not available until the final years of the project. This illustrated the importance of balancing long-term efforts to strengthen borrower monitoring capacity with provisions for periodic external qualitative or quantitative assessments, including rapid assessments.

In the current *sectorwide health reform programs in Bangladesh and Ghana*, government and donors (including the World Bank) agreed on a limited number of national indicators that will serve as benchmarks for joint annual reviews of sector performance. Remaining challenges include better linkages of system performance indicators to health and nutrition outcomes, and ensuring that national indicators create incentives for performance at lower levels of the system.

23. Education and health should be seen as fundamental assets that promote both economic development and social development through improved well being.[5] Linking economic growth

[5] "Ensuring a maximum contribution to development requires that health interventions are planned and implemented within an integrated development framework…Universal access to basic health services is important, and achieving that goal in a way which will make a significant input to poverty reduction will require massive international effort in itself. However, the fact remains that leaving health to the health sector, alone, will not work. The major determinants of health, including poverty itself, are beyond the control of the health services." World Health Organization, "Making Health a Force for Poverty Reduction---WHO's Proposal for Action in Follow-up to Copenhagen Plus Five", 2000

and human capital can set in motion a virtuous circle of improvements that reduces poverty and increases wellbeing. Health care and good nutrition will lead to improvements in wellbeing by reducing sickness or child mortality, and by increasing the ability of people to engage in productive employment or work activities. Literacy and numeracy create new opportunities for livelihood and for gaining new skills. Good health and physical well being represent one of the most important assets for low income individuals and households, and this means that economic development and good health have a significant two way interaction.

24. Education is also a key asset, and is strongly correlated with income. A mass of empirical evidence from countries around the world demonstrates that individuals profit from investments in education. Equity reasons and spillover effects on families argue strongly for investing in women. There is also the impact of women's health and education on their childbearing decisions, and the health and survival chances of their children, as well as their earning potential and employment opportunities.

25. The strong linkages between apparently disparate factors and the health of children or levels of literacy point towards programs that can integrate social goals around different thematic areas. Parents may be reluctant to send girls to school if distances are perceived to be long, safe transportation unavailable, or schools do not have separate (or any) latrines. Another conection can be seen in how making water more easily available in rural areas often results in girls having more time to attend school.

26. Building more schools is not a sufficient condition for getting children to go to and stay in school. The majority of the households may be poor and must make trade-offs between sending their children to school or having them work at home, in some trade or on the farm. Thus, aside from the longer-term strategy of raising household incomes, short to medium term strategies are needed to reduce the opportunity costs of schooling to get more school-age children to attend school. Over the past decade, many innovative approaches have been developed that increase school enrollment and deepen community participation in the educational goals of different programs.

Education

An innovative scholarship distribution scheme succeeded in helping the Government of Indonesia provide an "education safety net" for poor children during the Indonesian economic crisis. Approximately 90% of the scholarship and grant funds were in the hands of children and of schools. Enrollment declined much less than expected, even as the economic crisis continued. Only 2% of the scholarship recipients have dropped out of school. The program was a breakthrough in community participation: in 314 districts, over 4,000 subdistricts and over 180,000 schools. Civil society was involved in deciding which schools would receive grants and which students would receive scholarships. As a direct result, civil society is becoming more involved in school matters, including how resources are utilized.

El Salvador's Community-Managed Schools Program (EDUCO: *Educacion con Participacion de la Comunidad*) has been remarkably successful in expanding educational opportunities for the poor in rural areas. Decentralization has also been instrumental in getting families and communities more involved in their children's schooling. In 1991, El Salvador's Ministry of Education (MINED), supported by The World Bank, parents and teachers associations, local NGOs and the Inter-American Development Bank, implemented the innovative EDUCO Program, a self-managed, private form of education, to address coverage and quality problems in rural areas. By March 1996, some 1,700 parents' associations were managing 3,550 classrooms and serving 160,000 students, or about 15% of the relevant age group. By end-1996, the Ministry of Education had expanded the "self-government" principle to all of its 4,000 elementary and middle schools through school committees. The results also indicate that the EDUCO program significantly lowers the number of days missed by students due to teacher absenteeism and getting families and communities more involved with schooling. Initial information also showed that disadvantaged students performed as well as students from better economic backgrounds.

27. Locating schools closer to communities will minimize travel time to and from school. Other policies have also shown positive impacts, such as changing the school calendar so that schooling can take place during less labor demanding agricultural seasons. Moreover, planning for double shifts (one in the morning and one in the afternoon) gives some households more flexibility. Households can be provided with easier access to primary education, as well as improved opportunities to complete secondary education. The relationships between physical and social infrastructure are increasingly recognized.

Physical infrastructure as investments with social impact

28. The building of physical infrastructure---roads, water systems, and health clinics---is closely linked to outcomes in social development. In the past, infrastructure development was sometimes managed separately from social outcomes, but this has been changing due to the recognition of the ways in which different types of physical development affects social development. Adequate infrastructure and related services would greatly contribute to improving the living conditions and economic prospects of the world's poor. Despite progress in the past decades, the needs are enormous and widespread. It is estimated that there are 1.3 billion people with no access to clean water, 3 billion with no access to sanitation, and 2 billion with no access to power. The pressure for greater attention to the social impacts of physical infrastructure is particularly evident in the rapidly growing urban centers in developing countries. Sustaining cities that are livable for their existing and future populations will require integrated approaches to infrastructure development for positive social outcomes.

29. Recognizing the needs of expanding urban centers does not diminish the importance of building infrastructures that increase access to resources and services for rural populations. Improvements in both health and educational opportunities have been linked to rural transportation and road improvements. Better road systems may make rural schools more attractive to higher quality teachers. When roads are open year-round, and transport is more readily available, absenteeism of both teachers and students declines. The number of primary schools and satellite classrooms may increase as paved roads make construction more practical. The supply of materials---such as potable water---needed for teaching, maintenance, and day-to-day operations will also improve.

30. Health facilities often have difficulty recruiting and retaining professional staff because of isolated locations. Erratic delivery of services is a major obstacle to consistent preventative and curative health care. When facilities are not available or understaffed, rural residents have to travel long distances---often with difficulty because of inadequate transportation services---to see a doctor or nurse. With improved roads, more professionals may be willing to work in rural areas. The improved roads make it easier to deliver medicines and other supplies. Improving rural transportation linkages can enhance government programs that invest in new rural health centers. Immunization, family planning and other preventative initiatives are easier to implement and sustain.

31. The impact of physical infrastructure on social indicators is apparent in such sectors as sanitation or water systems. What is not often as apparent is how to address the massive problems of large cities, where the livability or well being of individuals and households is

increasingly affected by air pollution, weak or failed sewage and waste systems, and a lack of access to services. As much as social development is often seen through the sectors of health and education, the future course of improving social outcomes is closely linked to the what is being termed the "livability" of cities in the coming decades.

32. Livability represents the household level criterion for a city that is amenable to human needs and social development. Commitment to livability means ensuring that low-income households and individuals achieve a healthful living standard that permits them to share in the resources of society. In urban areas, the priorities include reducing poverty and inequality through income earning opportunities; creating a healthful urban environment; enhancing personal security (minimizing the risk of crime and violence, traffic accidents, and the impact of natural disasters); and making cultural and recreational amenities available to all.

33. Urban transport, water and sanitation subsectors address environmental issues that have an immediate impact on human health (air pollution from lead and particulates, and waterborne diseases). Policies to promote efficiency in the use of water, waste disposal, and energy, and "polluter pays" approaches contribute to the quality of life in cities. Adequate resources for reducing vulnerability to natural disasters need further development as well. Even as large scale issues are addressed in urban sectors, the involvement of local community groups and attention to issues affecting women in the design of infrastructure need to be increased while addressing obstacles of scale and management. Further, the ability of governments and donors together to address costs is beyond the capacity of many countries. Thus, both financing issues and new partnerships are central for establishing and sustaining rural and urban infrastructure.

Partnerships

34. There are growing opportunities for building partnerships or networks that contribute through the more efficient use of resources, institutional cooperation, and knowledge for social development. These efforts sometimes go across national boundaries, bring together several types of participants (government, private, civil society), cover diverse sectors, have different types of geographical spread, and are structured in a wide variety of ways. What they have in common is that they address issues that can not be dealt with more effectively at the national level. Thus, while there are national approaches to a specific issue, a regional or global program will be better to incorporate best practices, create new awareness, and to develop new products or programs.

35. The development of new partnerships for global public goods can have a direct impact on well being. In the case of malaria, no individual developing country is likely to be in the position to produce the global public good of a malaria vaccine. Private investors need an incentive for malarial research. Through partnerships, it is possible to generate the incentives that will make a market for malaria or other vaccines feasible. The role of donor agencies is then to ensure that the vaccines are delivered to those who need them. Global initiatives such as Rollback Malaria, HIV/AIDS and vaccine development are examples of these efforts.

36. Partnership with the private sector (business community) at the country level means an agreement to work together for common goals, with all parties committing resources (financial, technical or personnel) to agreed activities, with a clear division of responsibilities and distinct accountabilities for achieving those goals. Private sector partnerships usually involve multiple stakeholders, including donor agencies, one or more private sector entities (including individuals) and various representatives from government and civil society. Partnerships may involve a

discrete activity, or a range of interrelated activities over time, steadily building consensus and ownership within each organization involved in the partnership and among its stakeholders. These relationships require a level of mutual trust and respect, and a clear understanding of each other's strengths and weaknesses. The objective of any partnership is to deliver more than the sum of its individual parts.

37. Opportunities for harnessing private sector partnerships embrace a continuum of six types of activity, with each having the potential to reinforce the others over time:

- Consulting more systematically with the private sector, in particular with the domestic private sector, to understand their analysis of constraints to business growth.
- Supporting capacity building for intermediary private sector associations.
- Focusing on an enabling environment for private sector growth, using the analysis which emerges from more systematic consultation.
- Initiating local partnership activities to tackle market failure at the national level: incentives, information gaps, or regulatory failures, many of them catch-up steps to take better advantage of globalization or to ensure a better fit between wealth creation and poverty alleviation.
- Participating in global private sector learning partnerships.
- Increasing the number of private sector partnerships involving a loan, technical assistance provision or guarantee service.

38. Equally important as the growing relationships between governments, donors and the private sector is the widespread involvement of community organizations as part of community driven development. These entities are often much smaller and more localized than the larger national and international NGOs, and they are moving beyond service delivery to creative financing mechanisms. An example of one approach is through Community Health Funds. The purpose of such funds is to ensure that health care is available when needed, based on prepaid services by members of the community. Its guiding mechanism is community involvement in financing and managing the health services.

39. Community Health Funds work in much the same way as insurance plans do---by spreading the risk. Households have the option to pay the fee when they are most able to do so. For example, in rural areas, contributions can be paid at harvest time, while services are available throughout the year. For those who choose to pay user fees, these are fixed per case of illness. For maximum transparency, the district health board, based on recommendations from community leaders and/or service providers, approves those who should be exempted from fees. The health board also monitors the delivery of drugs to avoid the leakages and shortages that can undermine community health systems. The boards and funds need to include women in leadership roles to ensure that the particular needs and challenges facing women are fully addressed. A number of NGOs have been active in encouraging the establishment of revolving community drug funds, to improve the access of the rural population to essential drugs. There is evidence that these revolving funds can be financed successfully and can be applied in both rural and urban settings.

40. Along with the new funding mechanisms, overall community participation is one of the key elements in the provision of social services. Governments increasingly recognize that the delivery of health and education services can benefit significantly from local participation, through the fostering of innovative ideas for problem solving and crisis management, as well as increased participation at various levels of project management. Local participation can also ensure that services are provided at a lower cost, especially if increased interest is translated into volunteerism. Resources are likely to be more effectively utilized when the community is given

greater control over the planning and implementation of their own health and educational services.

41. Community driven development does not offer a simple or easy solution to social development goals, as each community faces challenges in terms of building mechanisms of cooperation and shared goals. Local approaches can be effective when it is recognized that there are factors that help determine the outcome of social development initiatives:

- Within the community there are responsive and accountable leaders;
- Trust exists or is built up between different groups in the community and with local institutions;
- Attention is given to capacity building that includes consensus-building and mediation for different views and goals;
- Women are able to play an increasingly active role, including involvement in decision making, in community development programs;
- Changes are made in methods of conventional project lending or funding designs that recognize the particular local context and diverse aspects of communities.

Social funds

Social funds (SF)directly finance small community managed projects, helping to empower the poor and vulnerable by allowing them to become actively involved in the development of their communities. With social fund financing and technical assistance, communities identify their own development priorities (primarily in the health, education, and water supply sectors), hire contractors, manage project funds, and on completion of construction manage and sustain the project.

In social fund-support health centers in Bolivia, preliminary survey data found that the quality of the physical infrastructure and availability of medicines and equipment improved substantially as a result of SF intervention. The use of facilities doubled between 1993 and 1997 in clinics that benefited from SF interventions whereas there was no difference in utilization rates in clinics that did not receive additional investments. Women were more likely to go in for prenatal screenings and have institutional births (at the clinic) in SF supported clinics than non-SF supported clinics; and Child mortality under 5 decreased faster in areas served by the clinics that received SF investments.

The Honduras Social Fund (FHIS) has yielded the following results: Average school class size has been lowered in social fund-supported projects, with an average of 30 students per classroom versus a national average of 37. FHIS classrooms are generally better equipped, especially in terms of desks; and almost all FHIS schools have established a maintenance committee. Honduras social fund-supported health centers displayed much better quality of construction than non-FHIS supported; had much higher utilization rates than non-FHIs supported clinics (25 percent higher in rural areas and 60 percent higher in urban areas) and social fund support increased the likelihood that a poor person would visit the doctor. FHIS improved access to sanitation on a community level. In social fund-supported sewerage projects, FHIS-supported systems tend to display better maintenance than non-FHIS supported systems.

42. NGOs and community based organizations can also play a role in improving the capacity of governments to deliver agreed upon and budgeted services, and to strengthen community centered development approaches. With the trend to decentralization creating greater demands on local government capacity, community groups can work with government counterparts in the monitoring of the implementation of different sectoral commitments. Well designed programs can incorporate community organizations with efforts at improving the delivery of services. Women's organizations can assist in addressing ways in which specific obstacles can be removed that hinder gender equity. In addition, the involvement of these organizations can contribute to

efforts at evaluating efficiency and gathering information for monitoring of performance. NGOs can make a significant contribution to social development when they have credibility with stakeholders and government, accountability to local communities, and both competence and institutional capacity. The appropriate NGOs can contribute in a number of ways through:

- Enhancing donor and government capacity to involve poor and vulnerable groups in projects and programs, and achieve gender equity;
- Improving the sustainability and effectiveness of projects by fostering beneficiary participation, mobilization of local resources, and strengthening local institutions;
- Serving as effective conduits of local knowledge, which is valuable at the design stage when NGOs have skills at participatory research;
- Using local knowledge to provide new opportunities for scaling up operations, while respecting local realities;
- Providing training and expertise through NGOs to many community based initiatives;
- Providing services at generally, but not always, lower financial costs than other organizations.

Financing/resources for basic social services

43. The resources necessary for the infrastructure for social development come from a variety of sources, most of them domestically generated. The decisions made about allocation of resources are often difficult due to competing demands, lack of necessary information, and organizational capacities. In the provision of basic social services, a number of coordination mechanisms and new forms of partnership are emerging that can improve the use of existing resources and direct additional resources to their best uses.

44. Various formats for consultations with governments provide an essential venue for addressing issues of social development. They are an important mechanism for mobilizing and coordinating, between governments, bilateral donors and multilaterals to discuss country development strategies and their financing. Consultations are opportunities for influencing broad priority setting and resource allocation decisions. Coordination meetings are an important venue for governments' development aid and a high-level opportunity for publicly affirming development priorities. Dialogue between different organizations over budget processes can also provide some of the analytical underpinning for decisions on policy changes and resource allocation.

45. One way to increase access to basic social services is to raise the share of expenditure on basic social services, the core goal of the 20/20 Initiative, a multi-donor effort that has paralleled the following up to the Copenhagen Declaration. This is the motivation for the initiative's goal of targeting 20% of government expenditure and of donor funds on basic social services. Equally important is whether existing and limited resources spent on the social sectors are being used in the most efficient way to promote the fundamental objective of 20/20 – to increase access, especially to the poorest. Efficiency gains fall broadly into two types. First, there is *allocative* efficiency. Often, there may be a case for intrasectoral, rather than intersectoral, reallocation of resources. For example, resources within the health sector can be balanced between support for certain tertiary health services, such as urban hospitals that are accessible to low income groups, and primary health services such as preventative care. Second, there is *operational* efficiency – there may be a strong case for increasing cost effectiveness, in addition to or rather than *any* reallocation of resources. For example, primary education may be improved by better curricula and other improvements in the quality of teaching and learning that reduce repetition and drop out rates, making places for more children without capacity expansions.

46. In order to increase the effective utilization of resources for basic social services, changes are needed in the allocation and structure of aid programs. Country development and investment programs tabled to donors generally aim for an integrated approach to development that conforms to a country-led process for resource management and development planning. ODA, on the other hand, is still largely project-driven. Moreover, donor procedures and timeframes for funding are usually not coordinated with the needs of government programs. One common problem is the mismatch between funding for capital projects and the lack of government resources for recurrent costs, which often results from donor funding of capital projects which do not consider their recurrent cost implications. This may be further exacerbated by a country's limited capacity to manage and absorb aid.

47. Several countries have called for aid to be de-linked from specific projects, in favor of financing for an overall program. A deepened commitment on 20/20 could include an agreement to apply program funding for a basic social services program, or to a sector program that prioritizes these services. The compact could also involve a mutual acceptance of management and monitoring mechanisms for the program. To accomplish this includes recognizing the gains of the past five years in giving social development a higher priority in a number of countries. Yet, despite the gains from such initiatives as 20/20, there are many instances where economic policy is still not linked adequately to social development. Many plans reflect the lack of a holistic view of development and the weaknesses of organizational structures to address embedded social issues. Part of this is due to the reality that the second generation of reform and change is more difficult and complex than the first, including areas such as governance, poverty reduction and capacity building. Similarly, the recognition that there are close relationships between policies and social development does not necessarily have the required affect on budget and resource decisions.

48. The challenges facing donors and governments in directing resources for social development are deeper than budget or economic policy issues. A key lesson from the past few years is the centrality of strong institutions and the importance of the organizational capacity of public systems to carry out social development programs. In addition, the close linkage between sound financial systems and effective social systems is increasingly recognized as part of the infrastructure for social development. As the international community assesses the experience of initiatives since the Copenhagen Declaration, the relationship between the provision of resources and policies, institutions, new types of partnerships and human capacities is widely acknowledged as foundational to achieving social development goals.

Conclusions and recommendations

49. A number of inter-related efforts are required over the next five years to move towards the social development goals of the Copenhagen Declaration, especially in relation to providing the necessary resources to strengthen the infrastructure for social development. It is recognized that the infrastructure for social development incorporates the central importance of government policies and institutions, the strengthening of human capacities, as well as building appropriate physical infrastructure and social sectors that improve social outcomes. Over the past five years, the international community has given increasing attention and commitment to the social dimensions of development, and the recommendations put forward reflect a comprehensive and holistic view of social development for governments, donors, civil society and the private sector.

1. Governments and donors need to ensure that national policies give priority to **promoting the goals of social development.** Greater effort is needed to build essential program structures and to ensure that there is adequate organizational capacity to implement these goals. This would include improving the quality of country level coordination, designing more inclusive public processes for setting priorities for social development, and ensuring that the roles of different organizations are clearly delineated. This should be linked to a renewed international, as well as national, commitment for the deepening of mechanisms for poverty reduction, especially in the context of external factors---this is central for the goals of social development.

2. In **building the human capacities** that are foundational for social development, specific measures should be taken to ensure greater access to social services, improve the design of safety nets, and link the building of physical infrastructure with social development goals. These can be based on assessing what will strengthen human assets, improve social risk management, increase economic assets and improve opportunities for women, as well as identifying the management capacity needs and organizational reforms required for more efficient services. In particular, the international community should take advantage of recent learning about health, education and social conditions among the poorest groups to refine international development goals for health, education and various social protection indicators so that they can be more effective in directing resources and programs to improve the conditions among those in greatest need.

3. Attention needs to be given and priorities established for investments in different types of **physical infrastructure that promote and enhance social development**. The connection between roads, transportation systems, water, sanitation and other types of infrastructure with social development outcomes should be incorporated into cross-sectoral planning and project designs.

4. The **efficient use of resources** for social development requires attention to both allocative and operational efficiency. The recent lessons on aid effectiveness need to be applied to aid priorities and the linkage between policies and resource allocations. Further work is needed on the potential gains in shifting from project to program based lending. National consultations can provide venues for both setting budget priorities, and building new forms of partnership for social development. Budget allocations should be available to local communities so that they can better monitor the delivery of promised resources and services.